

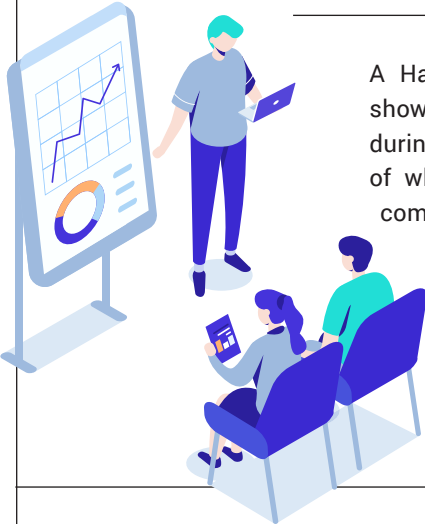


Thriving and Growing in Any Environment

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BEST VERSION MEDIA | BRINGING PEOPLE TOGETHER

In an economic downturn, business owners are forced to make difficult decisions. For many, this difficulty arises from the belief that what the world is experiencing now is unprecedented, that the future is unpredictable. Thankfully, there is nearly a century of data that can alleviate some of these fears and help companies see the upside in a downturn.



A Harvard Business Review study published in 1927 showed that companies who continued to advertise during the 1923 economic downturn came out 20% ahead of where they were before the recession¹. Meanwhile, companies that reduced advertising remained in the recession at 7% below their 1920 levels. From the 1940s to '90s, the results remain consistent, including McGraw-Hill Research data on 600 B2B companies that showed an impressive 256% growth in sales after aggressive advertising through the 1980s economic dip².

More recently, the Institute of Practitioners in Advertising (IPA) found that in the 2008 recession, brands that “went dark” (stopped advertising and communicating with consumers for one year) suffered considerable financial consequences for six months or more and took five years to recover and return to their normal profits. Companies that cut their ad budgets in half for one year took three years to recover³.

When it comes to advertising, the toughest question is not “if” you should continue to advertise, but “how” to remain at the forefront of your industry.

Here’s how to maximize opportunities in an economic downturn:

1 Listen to the market, then modify your message. In turbulent times, market needs do not disappear. In fact, they increase and are largely unmet. Listen to your customers, identify their needs and adjust your product or service to meet them⁴.

2 Prioritize the long-term. As the above studies show, the benefits of remaining present for your consumers extend well beyond the time of economic difficulty. Long term branding remains as important as ever; maintain the integrity and quality of your product or service to continue building lasting relationships with consumers.

3 Show your loyalty to customers. Emerge as a leader in your community by becoming increasingly visible and dependable. Now more than ever, consumers wish to be heard and are seeking brands in which to place their trust⁵.

4 Rely on trusted forms of engagement with your target audience. Trust and familiarity are key in moments of general uncertainty, so people gravitate toward mediums they enjoy reading. Likewise, consumers seeking reliable news reach for printed content: 71% of people in a 2,131-person study chose print content as a source of deep understanding and trust⁶.

The results of the past 100 years cannot be ignored: brands that remain present for their consumers don’t just survive difficult economic times, they can thrive. By listening to your market, embracing long-term strategy and basing advertising on loyalty and trust, businesses can see results for years to come.



¹ Vaile, Roland S. *Harvard Business Review*. April 1927.

² Advertising Specialty Institute. “Advertising in a Recession.” *The Number That Matters*. ASI/33020. 2009.

³ Institute of Practitioners in Advertising. “Long term case history.” *Data2Decisions*. 2015.

⁴ Razeghi, Andrew J. “Innovating through Recession.” *Kellogg School of Management, Northwestern University*. 2008.

⁵ Misener, Jim. “Recession Reinvention: 5 Ways to Find the Upside in a Downturn.” *AdAge*. 09 October 2018.

⁶ Two Sides North America. “Print and Paper in a Digital World: Key Findings From the U.S. Survey.” 2017.